

CLAUSE H-22 – MILESTONE PAYMENTS (August 2002)

- (a) SURA will authorize milestone payments pursuant with the Milestone Payment Schedule.

SURA's authorization of milestone payments is subject to Subcontractor's satisfactory performance, and SURA may suspend or reduce milestone payments after finding evidence of the following:

- (1) Subcontractor failed to comply with any material requirement of this subcontract;
- (2) Performance of this subcontract is endangered by –
  - (i) Subcontractor's failure to make progress; and
  - (ii) Subcontractor's financial condition.
- (3) Subcontractor is delinquent in payment of costs of performing this subcontract in the ordinary course of business;  
or
- (4) The amount of the milestone payment exceeds the fair value or reasonable cost of the milestone.